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PUBLIC SERVICE COMMISSION
OF WEST VIRGINIA
CHARLESTON

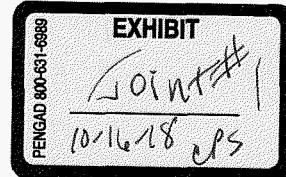
**CASE NO. 18-1073-COAL-SC-GI
BLUESTONE INDUSTRIES, INC.**

**CASE NO. 18-1074-COAL-SC-GI
CHESTNUT LAND HOLDINGS, LLC**

**CASE NO. 18-1075- COAL-SC-GI
KENTUCKY FUEL CORPORATION**

**CASE NO. 18-1076-COAL-SC-GI
NUFAC MINING COMPANY, INC.**

**CASE NO. 18-1077-COAL-SC-GI
ORCHARD COAL COMPANY**



JOINT STIPULATION AND SETTLEMENT AGREEMENT

NOW COMES Bluestone Industries, Inc., Chestnut Land Holdings, LLC, Kentucky Fuel Corporation, NUFAC Mining Company, Inc. and Orchard Coal Company, by counsel, Stephen W. Ball, and the Staff of the Public Service Commission ("Staff"), by counsel, Linda S. Bouvette, (collectively, the "Stipulating Parties"), and enter into this Joint Stipulation and Settlement Agreement ("Settlement Agreement"), this 16th day of October, 2018, and in support thereof, state the following;

WHEREAS, on July 20, 2018, the Public Service Commission of West Virginia (Commission) initiated five (5) show cause and general investigation proceedings naming Bluestone Industries, Inc., Chestnut Land Holdings, LLC, Kentucky Fuel Corporation, NUFAC Mining Company, Inc. and Orchard Coal Company individually (the

“Companies”) as Respondents. The Companies are listed as shippers and/or receivers of coal under the Commission’s Coal Resource Transportation System (CRTS) records.

WHEREAS, the Companies have a number of Notices of Violation of W.Va. Code §§§17C-17A-6, 17C-17A-9 and 17C-17A-10, for which administrative sanctions were imposed totaling \$131,300.00, as shown on Exhibit “A” attached hereto and incorporated herein by reference;

WHEREAS, those Notices of Violation are now final and unappealable;

WHEREAS, the Companies owe CRTS tonnage fees for coal shipped during the time period July 1, 2015 through June 30, 2018, in the amount of \$38,653.09, and \$35,012.00 in unpaid tonnage fees from a previous settlement agreement entered by and between the Transportation Division of the Commission and Bluestone Resources, Inc., parent to the Companies for a total amount due of \$73,665.09. This total does not include tonnage fees owed by Bluestone Industries, Inc. for the time period July 1, 2015 through June 30, 2018; and

WHEREAS, the parties have reached an agreement as to payment of the aforesaid amounts;

NOW, THEREFORE, in resolution of the issues in the above-captioned matters, the Stipulating Parties jointly stipulate and agree as follows:

1. The Companies shall pay the sum of \$73,665.09 in CRTS tonnage fees by 4:00 p.m., October 16, 2018, in good and sufficient funds, representing payment in full of the tonnage fees owed by the Companies except for Bluestone Industries, Inc.

2. The Companies shall pay the sum of \$98,475.00 in two lump sums in good and sufficient funds of \$49,237.50, the first payment due on or before October 31, 2018, and the second payment due on or before November 29, 2018. The payment of \$98,475.00 represents payment in full of the administrative sanctions imposed on the Companies as set forth in Exhibit A attached hereto and incorporated herein by reference. If full payment is not made by November 29, 2018, the parties agree that the full amount of the sanctions, \$131,300.00, will be due and payable, less any payment already made.

3. Within the next thirty (30) days, the Companies will work with the CRTS staff to calculate the tonnage fees due from Bluestone Industries, Inc. for the time period July 1, 2015 through June 30, 2018. The Companies must pay the CRTS tonnage fees owed by Bluestone Industries, Inc., within five (5) business days after being notified of the amount due. Failure to make said payment will terminate the settlement agreement and any discounted amounts will revert to the full amount owed.

4. The Companies shall review their CRTS registrations and update them as necessary.

5. The Companies shall comply with the Commission's Coal Rules and retain records for a period of three (3) years.

6. The Companies shall comply with the Commission's Coal Rules and file their electronic records timely.

7. The Company shall comply with all other applicable Commission rules and regulations and statutes.

8. The Stipulating Parties acknowledge and affirm that this settlement shall not be construed as a willingness on the part of the Commission and Commission Staff to resolve future proceedings by discounting administrative sanctions.

9. This settlement does not involve any administrative sanctions currently pending against one or more of the Companies.

10. The Stipulating Parties urge the Commission to enter an order approving the terms and conditions of the Joint Stipulation and Settlement Agreement.

11. The Stipulating Parties adopt the Joint Stipulation as being in the public interest.

12. The Stipulating Parties acknowledge and agree that this Joint Stipulation is in full force and effect as of the date of execution and that the cases set forth above shall remain open until all terms and conditions set forth herein have been met. In the event any party defaults under the terms and conditions of this Joint Stipulation, then either party may move the Commission to proceed with evidentiary hearings to resolve the case(s).

13. This Joint Stipulation is entered into subject to the acceptance and approval of the Commission. It results from a review of all record evidence and filings in this case, and good faith negotiation. The Settlement embodies compromises and modifications by the Stipulating Parties of their respective positions in this case, and is being proposed to expedite and simplify the resolution of these proceedings and other matters in the context

of an overall Settlement. The Settlement is jointly endorsed without any admission or prejudice to any positions that either of the Stipulating Parties might adopt during subsequent litigation in this or any future proceeding.

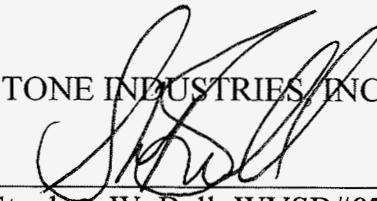
14. The Stipulating Parties further acknowledge that it is the Commission's prerogative to accept, reject, or modify any stipulation, but they respectfully reiterate that each component of the Settlement, and in particular the resolution of each disputed issue and the provisions of this paragraph, is integral to and inseparable from the others. None of the Stipulating Parties advocate the Commission's resolution of any issue as proposed in this Joint Stipulation other than in the context of their support for the Settlement as a whole. Accordingly, in the event that the Settlement is modified or rejected by the Commission, it is expressly understood that the Stipulating Parties are not bound to accept the Settlement as modified or rejected, and may avail themselves of whatever rights are available to them under law and the Commission's Rules of Practice and Procedure.

WHEREFORE, Bluestone Industries, Inc., Chestnut Land Holdings, LLC, Kentucky Fuel Corporation, NUFAC Mining Company, Inc. and Orchard Coal Company, and Staff respectfully request that the Commission enter an order consistent with the Joint Stipulation.

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BLUESTONE INDUSTRIES, INC.

By:


Stephen W. Ball, WVS#8776
Counsel for Bluestone Industries, Inc.

CHESTNUT LAND HOLDINGS, LLC

By:


Stephen W. Ball, WVS#8776
Counsel for Chestnut Land Holdings, LLC

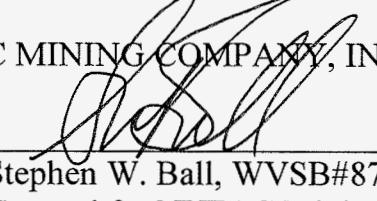
KENTUCKY FUEL CORPORATION

By:


Stephen W. Ball, WVS#8776
Counsel for Kentucky Fuel Corporation

NUFAC MINING COMPANY, INC.

By:


Stephen W. Ball, WVS#8776
Counsel for NUFAC Mining Company, Inc.

ORCHARD COAL COMPANY

By:


Stephen W. Ball, WVS#8776
Counsel for Orchard Coal Company

PUBLIC SERVICE COMMISSION STAFF

BY:


LINDA S. BOUVETTE, WVS#5926
Counsel for Staff

EXHIBIT A

KENTUCKY FUEL CORPORATION
UNPAID NOTICES OF VIOLATION

Date Issued	Respondent Parties	Case Number	Site	Served	20 Days Up	No	Violation	Fine	BalDue	County	Staff Memo Filed	Order Final	Offense No
12/27/2016	KENTUCKY FUEL CORPORATION TAM'S NO. 1 SURFACE MINE	16-5116-COAL-S	S00300998B	1/6/2017	1/26/2017	6	Inaccurate Reporting;	\$600.00	\$600.00	Raleigh	2/2/2017	2/18/2017	second
5/15/2017	KENTUCKY FUEL CORPORATION TAM'S NO. 1 SURFACE MINE	17-5074-COAL-S	S00300998B	5/22/2017	6/11/2017	5	Inaccurate Reporting;	\$500.00	\$500.00	Raleigh	6/19/2017	7/3/2017	second
5/26/2017	KENTUCKY FUEL CORPORATION TAM'S NO. 1 SURFACE MINE	17-5088-COAL-S	S00300998B	6/6/2017	6/26/2017	20	Inon - Reporting;	\$2,000.00	\$2,000.00	Raleigh	7/5/2017	7/28/2017	second
8/18/2017	KENTUCKY FUEL CORPORATION TAM'S NO. 1 SURFACE MINE	17-5151-COAL-S	S00300998B	8/23/2017	9/12/2017	12	Inon - Reporting;	\$1,200.00	\$1,200.00	Raleigh	9/25/2017	10/8/2017	second
		4				43		\$4,300.00	\$4,300.00				

No additional cases

NUFAC MINING COMPANY, INC.
UNPAID NOTICES OF VIOLATION

Date Issued	Respondent Parties	Case Number	Site	Served	20 Days Up	No	Violation	Fine	BalDue	County	Staff Memo Filed	Order Final	Offense No
4/25/2017	MECHEL BLUESTONE, INC. NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5051-COAL-R	L000000919	5/4/2017	5/24/2017	12	non-Reporting;	\$1,200.00	\$1,200.00	Wyoming	6/5/2017	6/17/2017	first
5/15/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5076-COAL-R	L000000919	6/22/2017	7/12/2017	30	non-Reporting;	\$3,000.00	\$3,000.00	Wyoming	7/13/2017	7/30/2017	first
5/26/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5091-COAL-R	L000000919	6/6/2017	6/26/2017	25	non-Reporting;	\$2,500.00	\$2,500.00	Wyoming	7/5/2017	7/28/2017	first
5/26/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5092-COAL-R	L000000919	6/6/2017	6/26/2017	25	non-Reporting;	\$2,500.00	\$2,500.00	Wyoming	7/5/2017	7/28/2017	first
6/14/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5105-COAL-R	L000000919	6/20/2017	7/10/2017	20	non-Reporting;	\$2,000.00	\$2,000.00	Wyoming	7/13/2017	8/6/2017	second
6/23/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5114-COAL-R	L000000919	7/10/2017	7/30/2017	50	non-Reporting;	\$5,000.00	\$5,000.00	Wyoming	8/4/2017	8/18/2017	second
7/10/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5129-COAL-R	L000000919	7/13/2017	8/2/2017	57	non-Reporting;	\$5,700.00	\$5,700.00	Wyoming	8/8/2017	8/27/2017	second
7/24/2017	NUFAC MINING COMPANY, INC. K2 PREP PLANT	17-5138-COAL-R	L000000919	7/26/2017	8/15/2017	24	non-Reporting;	\$2,400.00	\$2,400.00	Wyoming	8/21/2017	9/11/2017	second
2/20/2018	NUFAC MINING COMPANY, INC. K2 PREP PLANT	18-5050-COAL-S	L000000919	3/9/2018	3/29/2018	45	non-Reporting;	\$4,500.00	\$4,500.00	Wyoming	4/5/2018	4/27/2018	second
3/2/2018	NUFAC MINING COMPANY, INC. K2 PREP PLANT	18-5064-COAL-S	L000000919	3/9/2018	3/29/2018	150	non-Reporting;	\$15,000.00	\$15,000.00	Wyoming	4/5/2018	5/3/2018	second
5/11/2018	NUFAC MINING COMPANY, INC. K2 PREP PLANT	18-5122-COAL-S	L000000919	5/21/2018	6/10/2018	150	non-Reporting;	\$15,000.00	\$15,000.00	Wyoming	6/11/2018	6/25/2018	second
6/8/2018	NUFAC MINING COMPANY, INC. K2 PREP PLANT	18-5140-COAL-S	L000000919	6/14/2018	7/4/2018	57	non-Reporting;	\$5,700.00	\$5,700.00	Wyoming	7/10/2018	7/29/2018	second
7/23/2018	NUFAC MINING COMPANY, INC. K2 PREP PLANT	18-5170-COAL-S	L000000919	7/26/2018	8/15/2018	29	non-Reporting;	\$2,900.00	\$2,900.00	Wyoming	8/20/2018	9/29/2018	second
				13				674	\$67,400.00	\$67,400.00			

no additional cases

**BLUESTONE INDUSTRIES
UNPAID NOTICES OF VIOLATION**

\$13,60) without additional costs

ORCHARD COAL COMPANY
UNPAID NOTICES OF VIOLATION

Date Issued	Respondent Parties	Case Number	Site	Served	20 Days Up	No	Violation	Fine	BalDue	County	Staff Memo Filed	Order Final	Offense No
5/15/2017	ORCHARD COAL COMPANY ORCHARD LOAD OUT	17-5075-COAL-R	L200000790	5/19/2017	6/8/2017	5	In violation - Reporting;	\$500.00	\$500.00	Raleigh	6/19/2017	7/3/2017	first
2/20/2018	ORCHARD COAL COMPANY ORCHARD LOAD OUT	18-5051-COAL-R	L200000790	2/26/2018	3/18/2018	45	n/a - Reporting;	\$4,500.00	\$4,500.00	Raleigh	4/5/2018	4/27/2018	second
3/2/2018	ORCHARD COAL COMPANY ORCHARD LOAD OUT	18-5065-COAL-R	L200000790	3/9/2018	3/29/2018	150	n/a - Reporting;	\$15,000.00	\$15,000.00	Raleigh	4/5/2018	5/3/2018	second
5/11/2018	ORCHARD COAL COMPANY ORCHARD LOAD OUT	18-5123-COAL-R	L200000790	5/21/2018	6/10/2018	150	n/a - Reporting;	\$15,000.00	\$15,000.00	Raleigh	6/11/2018	6/25/2018	second
6/8/2018	ORCHARD COAL COMPANY ORCHARD LOAD OUT	18-5141-COAL-R	L200000790	6/13/2018	7/3/2018	57	n/a - Reporting;	\$5,700.00	\$5,700.00	Raleigh	7/10/2018	7/29/2018	second
7/23/2018	ORCHARD COAL COMPANY ORCHARD LOAD OUT	18-5169-COAL-R	L200000790	7/26/2018	8/15/2018	29	n/a - Reporting;	\$2,900.00	\$2,900.00	Raleigh	8/20/2018	9/29/2018	second
		6						436	\$43,600.00				

No additional cases

CHESTNUT LAND - UNPAID NOTICES OF VIOLATION

Date Issued	Respondent Parties	Case Number	Site	Served	20 Days U No	Violation	Fine	BalDue	County	Staff Memo Filed	Order Final	Offense No
12/27/2016	CHESTNUT LAND HOLDINGS, LLC BISHOP PREP PLANT	16-5115-COAL-S	L00000941	1/10/2017	1/30/2017 24	Reporting;	\$2,400.00	\$2,400.00	McDowell	2/2/2017	2/18/2017	first
9/4/2018	CHESTNUT LAND HOLDINGS, LLC BISHOP PREP PLANT	18-5208-COAL-R	L00000941	9/7/2018	9/27/2018 11	Reporting;	\$1,100.00	\$1,100.00	McDowell	10/2/2018		second
10/9/2018	CHESTNUT LAND HOLDINGS, LLC BISHOP PREP PLANT	18-5223-COAL-R	L00000941			6 Reporting;	\$600.00	\$600.00	McDowell			second
		3				41		\$4,100.00	\$4,100.00			